

GRAHAM HOSPITAL DISTRICT
BOARD OF DIRECTORS MINUTES
October 28, 2021

The Board of Directors of Graham Regional Medical Center met in the Education Conference Room Thursday, October 28 at 12:00 P.M.

Board members present: Wyatt Pettus, Suzy Graham, Terry Bishop, Dr. Behr, Barrie Strickland, Sylvia Overton, and Jon Garvey

Members of management present: Shane Kernell, Sharon Hilliard, Terri Busey, Jeff Clark, Enoc Espinoza, Shelly Walls, and Allan Scroggins, Interim CFO

Others present via Zoom: Curtis Rojas

Presiding Secretary: Tammy Whittenburg

1. Call to Order and Record of Attendance

President Pettus called the meeting to order at 12:04 P.M. Invocation was given by President Pettus.

2. Public Comment

No public comment.

3. Meeting Minutes

The Directors were asked to review the minutes of the regular meeting on September 23, 2021, for any revisions or corrections.

Action

Motion by Sylvia Overton, second by Dr. Behr to approve the regular board minutes of September 23, 2021, as presented. Motion carried.

4. Finance Committee Report

September 2021 Financials – Allan Scroggins

- Presented and reviewed were the Financial Highlights for September; Income and Expense Statements for the Month Ended September 30, 2021; Balance Sheet as of September 30, 2021; Statement of Sources and Uses of Cash Flow for September 2021; Scorecards for September 2021 showing Admissions, Patient Days, Observation, Surgery Procedures, Radiology Procedures, Laboratory Procedures, and Visits Statistics. Also presented was the Statistics Trended FY 2021 and 2020; Net Revenue to Cash Analysis; GRMC POS Cash Analysis; FTE/AOB Analysis; Scorecards for September 2021 showing DCOH, EBIDA Margin, Debt Service Ratio, Average Payment Period, SWB/Net Patient Revenue, Salary % Net Patient Revenue, Days of Cash on Hand, EBIDA, Net Patient Revenue vs Cash Collections, FTEs/AOB Exclude Clinics, and Total POS Cash.
- Curtis Rojas reviewed the Revenue Cycle charts.

Action

Motion by Terry Bishop, second by Suzy Graham to approve the financial statements as presented. Motion carried.

5. Action Items

a. Health Benefit Plan

The hospital had been self-funded for years, and it was not good for the hospital. We then went with a Minimal Essential Coverage Plan (MEC), and it turned out employees liked it because they were able to come to the hospital for free and got a pay raise for not having to pay for health insurance. We then brought forth Blue Cross Blue Shield (BCBS) comprehensive coverage which we have been on for the last two years. We are proposing BCBS again for this next year. The first year with BCBS, we received a 0% renewal. Last year we received a 3% decrease at renewal, which is unheard of. This year they quoted us a 40% increase. We got them down to a 37% increase because our broker went out and checked with United and Aetna. Aetna quoted us a 37% increase, and United declined to quote us. If you looked at the quotes as an average over the last three years, it is a 12.5% increase each year. This year's recommendation is to stay with BCBS. We are seeing such a big increase because of the COVID environment we are in, and we ran hot. We had seven people on our health benefit plan who incurred a million dollars worth of payments. We did anticipate a big increase, so we budgeted \$331,000 for health insurance costs. It is a tough environment to hire and retain employees these days. We need good benefits. Our high deductible base plan and the buy-up plan both have a tiered model approach. That means what you make hourly puts you in a certain tier. It has come to our attention that the last two years we have been on this model is not positive. We have even had an employee decline a pay increase because it was going to move them to the next level for benefits. If we get rid of the tiers, we have to protect the bottom tier which is people making less than \$18.00 an hour. We propose to get rid of the tier model, do a base plan with an HSA and a buy-up plan with no tiers. The hospital will absorb the majority of costs since we budgeted for it. We are dropping the HSA contribution of \$20.00 the employer was contributing. We have already started planning for benefits in the future because the hospital cannot absorb such high costs every year.

Action

Motion by Dr. Behr, second by Terry Bishop to accept the Health Benefit Plan as presented. Motion carried.

b. PPL Policy

We have paid personal leave policy where employees earn paid time off based on the hours they work. We had the Paid Personal Leave Policy (PPL) years ago. The policy was reviewed, and it turned out to be beneficial to the hospital. We are proposing that employees can sell back their PPL at 75% of the full base value with some rules. Employees must maintain a minimum of 40 hours of PPL bank to cover unanticipated absences. This will be allowed once a year. Employee Sick Leave (ESL) hours are not available for cash out.

Action

Motion by Sylvia Overton, second by Jon Garvey to approve the PPL Policy as presented. Motion carried.

c. Portable X-ray Machine Purchase and Funding

We currently have a great portable x-ray machine that is used often, and when it is down, we are in a jam. We need a second unit. We compared GE Healthcare and Shimadzu. We were able to get a demo unit at a cheaper cost than the Shimadzu, and we are a GE shop. We have lots of GE equipment, and our techs are used to working with GE. We can either purchase the machine or finance it. We reached out to Ciera bank, and we have an open line of credit at a 3.90% interest rate and can use it over the next eight months. After the one-year warranty, we will pay the maintenance warranty.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the purchase of the GE Healthcare GoldSeal Optima XR240 Portable X-ray Machine as presented. Motion carried.

d. CT Machine Purchase and Funding

Our GE 64 slice CT machine is 15 years old. It was the first GE slice to be put in a rural hospital. We need to purchase a new unit. We received quotes from GE, Siemens, and Philips. GE came back with the one we like best. We will get a two-year warranty and then will pay for an annual maintenance agreement. The lead time to get the machine is 30 weeks. We have a line of credit with Ciera Bank for eight months, and we can move on it at any time. Having a CT machine is part of our trauma designation. We will receive a \$40,000 credit for our old machine.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the purchase of the GE Healthcare Revolution Maxima Computed Tomography (CT) funded by Ciera Bank as presented. Motion carried.

e. Telemetry System Expansion

We need telemetry in the Surgery Center. We have telemetry in the two rooms we are currently using. We need it in all patient rooms and the infusion center. The telemetry system we have now was funded by the Bertha Foundation. This expansion is in addition to what is in the inpatient rooms.

Action

Motion by Dr. Behr, second by Suzy Graham to approve the purchase of the Telemetry System to expand into the Surgery Center as presented. Motion carried.

f. Nurse Call Expansion

We need nurse call in the Surgery Center. Nurse call in our hospital was provided by a benevolent donation. It needs to be expanded to the beds in the surgery center.

Action

Motion by Terry Bishop, second by Dr. Behr to approve the purchase of the Nurse Call System to expand into the Surgery Center as presented. Motion carried.

g. Patient Bed Purchase

We need beds in the Surgery Center. We need eight beds to fill all eight rooms. We are using two beds now, but they are not the greatest. This is a COVID-related purchase.

Action

Motion by Dr. Behr, second by Sylvia Overton to approve the purchase of the Eight Patient Beds for the Surgery Center as presented. Motion carried.

h. New Foundation Board Member

The Hospital Foundation Board would like to add Krisa De La Cruz as a board member. One member's term has ended, and the foundation board voted to not extend her three-year term.

Action

Motion by Suzy Graham, second by Sylvia Overton to approve Krisa De La Cruz as a Foundation Board Member. Motion carried.

6. Reports

a. Medical Chief of Staff Report

- i. Dr. John Lucas was not in attendance.

b. CEO Report – Shane Kernell

- i. We have lots of irons in the fire with our CFO transition. Mr. Scroggins is doing a great job as interim. He has accomplished a lot in a short amount of time. We have applied for the Provider Relief funds. DSRIP and UC money is a potential for a few million dollars a year, and we are compliant with that.
- ii. We are now three weeks into using the Surgery Center. Part of Mr. Kernell's presentation to groups is a three-phase approach. The first phase is a baby step phase to get in there and start doing orthopedic surgeries. We will keep doing this until we get more beds and equipment. Long term, we will get the clinics connected to make it a true surgery center. Renderings from the architect are very exciting. What was the nursery will be a full outpatient infusion center. The strategic plan going forward has two big growth items which are surgery and the clinic. We would like to have provider relief funds left to build a new clinic.
- iii. YCFC has almost doubled its visits from this year to last year. They went from a negative \$500,000 to a positive \$100,000 year this year, and they are still growing. They have added a lot of new patients.
- iv. The old building has been razed to the ground. The hole has been filled. We had to get a second company to come in and fill it. We put it out to bid twice for redoing the pavement. This last time, we received four bids. Billy Snell is the guy who got the bid. He will start in a couple of weeks. He did not have a miller to go in and mill it up, so we did a local agreement with the county. They are going to mill it for Mr. Snell. If a new clinic is built, it will be a couple of years away, and if it is built on a new parking lot, that is ok.
- v. We still have five state nurses and two respiratory therapists. The State has given us the decision that we need to demobilize them. We have to demobilize one person during Thanksgiving week and all must be gone the following week by December 3.
- vi. American Rescue Plan Act (ARPA) funds totaling \$1.7 million were disbursed to Young County in May. They have not used any of it yet. The federal government put it on the county as to how to use the funds. The county has not met on it or allocated any money to anyone. Mr. Kernell and the Olney Hamilton Administrator, Mike Huff, both approached the county judge with a letter, and Mr. Kernell met with Judge Bullock in person, to request what we need. It doesn't mean we will get a dime out of it. They can use it for anything. The county will receive another \$1.7 million in May totaling \$3.4 million. We asked for a new ambulance, as well as Olney Hamilton. We also asked for \$500,00 relief for salaries when we lose agency nurses, and Mr. Huff asked for \$200,00.

7. Executive Session

President Pettus convened into Executive Session at 2:06 P.M.

Executive Session: The Board will meet in closed session pursuant to:

- a. Texas Health and Safety Code §161.032, deliberation of information from the Medical Staff regarding applications for appointment and/or reappointment to the Medical Staff and

- information from the Compliance Officer to consider quality assurance/performance improvement reports
- b. Texas Government Code §551.074, personnel matters

Executive Session adjourned at 2:55 P.M.

8. Open Session

The Board reconvened in open session at 2:55 P.M.

Action

Motion by Terry Bishop, second by Suzy Graham to approve the reappointments of:

- A. Allied Health
 - Anesthesia
 - i. Glenn Cochrane, CRNA
 - ii. Ryan LeSaicherre, CRNA
 - Psychiatric – Mental Health Nurse Practitioner
 - i. Reah Gambrell, PMHNP

Dr. Behr was not present to vote. Motion carried with a quorum of votes.

Action

Motion by Suzy Graham, second by Barrie Strickland to approve the Quality Report as presented. Dr. Behr was not present to vote. Motion carried with a quorum of votes.

Action

Motion by Barrie Strickland, second by Suzy Graham to approve the Compliance Report as presented. Dr. Behr was not present to vote. Motion carried with a quorum of votes.

Action

Motion by Sylvia Overton, second by Terry Bishop to adjourn the meeting. Dr. Behr was not present to vote. Motion carried with a quorum of votes.

There being no further business, the meeting adjourned at 2:57 P.M.



Wyatt Pettus, President, Board of Directors



Tammy Whittenburg, Secretary, Board of Directors